UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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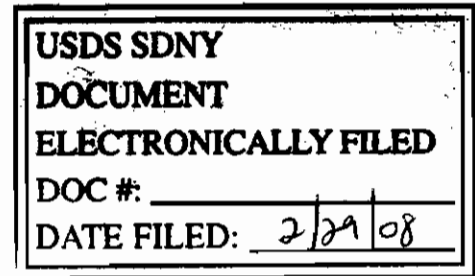
SOFTWARE AG, INC. and SOFTWARE AG,

      Plaintiffs,

    -against-

CONSIST SOFTWARE SOLUTIONS, INC.,
f/k/a/ CONSIST INTERNATIONAL, INC., and
NATALIO FRIDMAN,

      Defendants.

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08 Civ. 389 (CM)(FM)

ORDER DENYING MOTION FOR IMPOSITION OF SANCTIONS AND STAYING
FURTHER PROCEEDINGS IN THIS COURT PENDING APPEAL IN THE SECOND
CIRCUIT OF THIS COURT'S PRELIMINARY INJUNCTION ORDER

McMahon, J.:

    On February 21, 2008, this Court issued a Decision and Order Granting Plaintiffs' Motion for Preliminary Injunction. (Dkt. #50, 08-CV-389.) The next day, defendants filed a notice of appeal and sought to vacate or stay enforcement of this Court's Order. On February 26, 2008, defendants answered the complaint and moved to dismiss certain claims asserted under the Lanham Act. (Dkt. #53, 54.) Defendants have also filed a response to plaintiffs' motion for sanctions, which was filed on February 13, 2008 (Dkt. #34).

    The motion for sanctions is denied.

    To avoid a proliferation of papers, further proceedings before this Court in this matter are stayed pending a determination of the pending appeal by the Second Circuit. If the Second Circuit denies defendants' motion to vacate or stay enforcement of this Court's Decision and Order Granting Plaintiffs' Motion for Preliminary Injunction, the Court will lift the stay only for the following purposes: (1) the filing by defendants of their sworn notice of compliance with the injunction, and (2) applications for contempt (which I trust will not be necessary).

Dated: New York, New York
      February 29, 2008

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               U.S.D.J.

BY ECF TO ALL COUNSEL